



STATE OF CONNECTICUT OFFICE OF MILITARY AFFAIRS

JUSTIN BERNIER
Executive Director

February 6, 2009

The Honorable Donald E. Williams, Jr.
President Pro Tempore

The Honorable Christopher G. Donovan
Speaker of the House

The Honorable John McKinney
Senate Minority Leader

The Honorable Lawrence Cafero
House Minority Leader

The Honorable Gary D. LeBeau
Co-Chair, Commerce Committee

The Honorable Jeffrey J. Berger
Co-Chair, Commerce Committee

The Honorable L. Scott Frantz
Ranking Member, Commerce Committee

The Honorable Mike Alberts
Ranking Member, Commerce Committee

The Honorable Eileen M. Daily
Co-Chair, Finance Committee

The Honorable Cameron C. Staples
Co-Chair, Finance Committee

The Honorable Andrew W. Roraback
Ranking Member, Finance Committee

The Honorable Vincent J. Candelora
Ranking Member, Finance Committee

Dear General Assembly Leader:

The Connecticut Military and Defense Advisory Council recently met to consider the health of the state's defense industrial base. Mandated by the General Assembly in 2007, the council gives advice and assistance to the State of Connecticut. This letter provides you with information the council has received about Connecticut's defense industry and our economy.

On January 26, the council received briefings from company representatives and the Connecticut Business and Industry Association (CBIA), the state's leading commerce organization. CBIA President and CEO John Rathgeber explained how the defense industry sustains Connecticut's high standard of living by providing tens of thousands of jobs statewide.


Shifting fiscal problems onto the business community would likely undermine this economic activity. In particular, higher taxes would not only affect prime contractors like United Technologies Corporation (UTC) and the Electric Boat Corporation (EB), two of Connecticut's largest private employers, but also numerous subcontractors throughout the state. UTC and EB use hundreds of suppliers from across the state. It is easy to see how increasing the cost of business in Connecticut could reduce the competitiveness of our defense industry at all levels.

The U.S. Department of Defense (DoD) is expected to make decisions on multi-billion contracts over the next two years in the context of a tightening budget. In recent Senate testimony, Secretary of Defense Robert Gates remarked that "the spigot of defense funding opened by 9/11 is closing." In fact, DoD projects fewer expenditures in Connecticut over the next several years. The state should be prepared for these defense budget cuts.

To remain competitive in this environment, Connecticut defense companies must offer high-quality products with low price-tags. Increasing the cost of business in Connecticut could hand contracts to out-of-state and overseas competitors, resulting in a loss of high-paying jobs at home. In anticipation of this danger, business leaders in Connecticut have asked the General Assembly to "do no harm." This sentiment appears widespread in the defense industry.

I hope you find this information useful as the General Assembly considers this year's policy and budget issues. Should you have questions, please do not hesitate to contact me directly at 860.270.8074.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Bernier". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Justin Bernier
Chairman
Connecticut Military & Defense Advisory Council